

KIMBA GAP IRON ORE PROJECT

General Manager

16th June 2014

The Company Announcements Office
Australian Securities Exchange
Electronic Lodgement System

Dear Sir/Madam

CENTREX COMPLETES RESOURCE DRILLING AT KIMBA GAP

Highlights

- Centrex completes 8,735m of resource drilling at the Kimba Gap iron ore project
- Mineral Resource estimate expected in coming weeks
- Drilling will enable Centrex to secure easternmost portion of the deposit held by Arrium under previously signed dual tenancy agreement
- Baotou Iron & Steel to consider Kimba Gap results in line with Bungalow Magnetite Joint Venture located just 50km South

Summary

Centrex Metals Limited ("Centrex") has completed an 8,735m program of reverse circulation and diamond drilling across 32 drill holes at its Kimba Gap iron ore project 50km west of Whyalla in South Australia. In the coming weeks the drilling results will be used to define a Mineral Resource over the previously announced Exploration Target. This will also allow Centrex to secure the magnetite iron ore rights to the most eastern portion of the deposit on EL4752 held by a subsidiary of Arrium Mining and Materials ("Arrium").

For further details on the Exploration Target please see the ASX announcement on 17th May 2013:

<http://www.asx.com.au/asxpdf/20130517/pdf/42fymcsn01qt06.pdf>

The Kimba Gap iron ore project comprises two parallel moderate to steeply dipping ~4.6km outcropping banded iron formations established from previous outcrop mapping, surface sampling, geophysical surveys and diamond drilling.

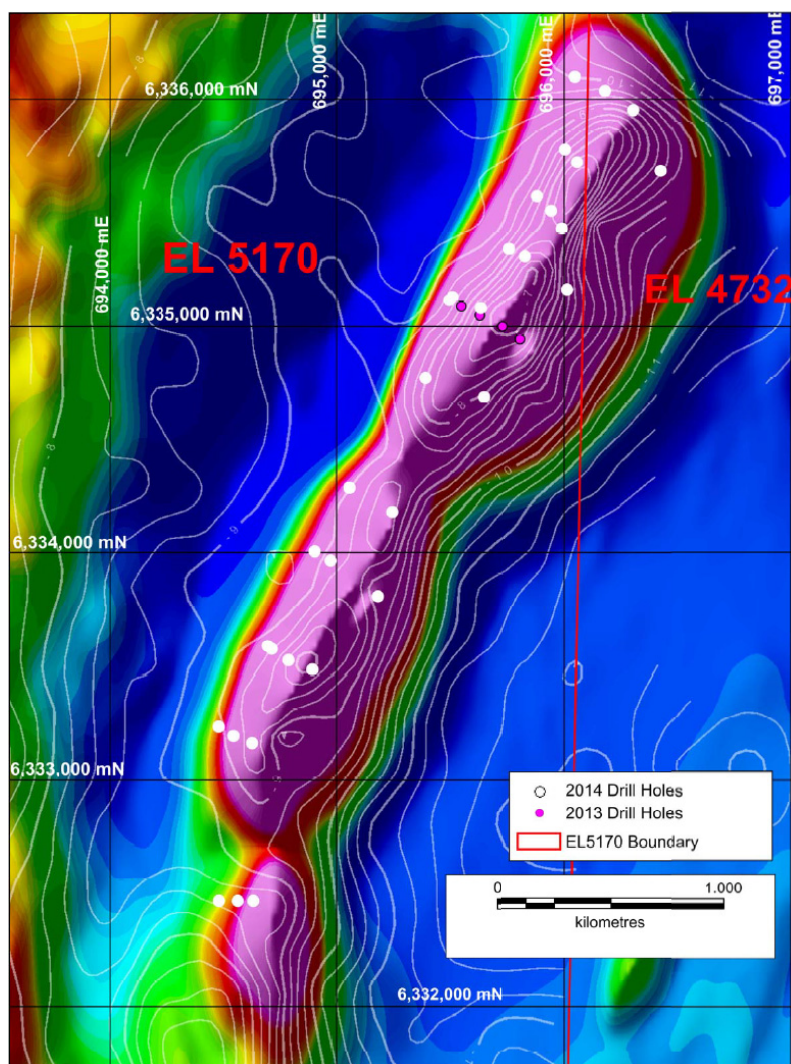


Figure: Kimba Gap drill holes shown over high resolution magnetic image, gravity contours and tenement boundary.

Centrex signed a dual tenancy agreement with Arrium in July 2013 covering the portion on EL4752 relevant to Centrex's Kimba Gap iron ore project. The agreement gave Centrex the right to conduct an 18 month exploration program over the area and subsequently the agreement commenced in December 2013. Centrex made an initial payment of \$200,000 to Arrium for the right. Subject to successful exploration within the time period Centrex can elect to lodge a Mineral Claim in its own name over the area and pay a second stage payment of \$300,000 to obtain the right to mine any non-direct shipping ore ("DSO") in the future. During Centrex's exploration program, if a >1Mt resource of DSO (>50% Fe) is found on EL4752 Arrium may choose to mine this portion of the deposit in its own right or alternatively allow Centrex to mine it for a 5% royalty. All non-DSO iron ore (<50% Fe) will be 100% owned by Centrex

without royalties. The Kimba Gap project is located adjacent to Arrium's existing hematite and magnetite mining operations.

Establishing resources for the project will enable Centrex to lodge a Mineral Claim and lead to securing the portion of the deposit held by Arrium, it will also aid in attracting a foreign investment partner for the project.

Kimba Gap is located just 50km north of one of Centrex's existing magnetite iron ore joint ventures at Bungalow with Baotou Iron & Steel (Group) Co. ("Baotou"). In May 2014 Centrex received a request from Baotou for the Prefeasibility Study being undertaken at Bungalow to be extended to analyses potential synergies in utilising common supporting infrastructure with Kimba Gap given the very similar nature of the projects.



Figure: Centrex CEO Ben Hammond, GM Exploration Alastair Watts and CFO Gavin Bosch alongside outcropping iron ore at Kimba Gap.

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Competent Persons Statement

The information in this report relating to Exploration Results is based on information compiled by Mr Alastair Watts who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Watts is the General Manager Exploration of Centrex Metals Limited. Mr Watts has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Watts consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.